

STATE OF WASHINGTON
GAMBLING COMMISSION

In the Matter of the Suspension of the Licenses)
to Conduct Gambling Activities of:)
)
AAA Bowl Unlimited, Inc.,)
d/b/a Skyway Park Bowl)
11819 Renton Avenue South)
Seattle, Washington,)
)
Licensee.)
_____)

No. CR 2010-00883

**NOTICE OF ADMINISTRATIVE
CHARGES AND OPPORTUNITY
FOR AN ADJUDICATIVE
PROCEEDING**

I.

The Washington State Gambling Commission issued AAA Bowl Unlimited, Inc., d/b/a Skyway Park Bowl, organization number 00-06373, the following licenses:

Number 67-00014, authorizing Class "14" House-Banked Card Room activity;
Number 05-02696, authorizing Class "E" Punchboard/Pull-Tab activity; and
Number 53-00645, authorizing Class "A" Amusement Game activity.

The licenses expire on December 31, 2010, and were issued subject to the licensee's compliance with state gambling laws and regulations.

II.

Rick Day, Director, of the Washington State Gambling Commission, charges the licensee with the following violations of the Washington State Gambling Act, 9.46 RCW, and WAC Title 230:

- 1) The licensee filed its 2009 financial statements on June 30, 2010. The accounting firm hired to audit the licensee's 2009 financial statements was not able to do an audit on the financial statements because of the lack of documents or incomplete documents.
- 2) A Commission Special Agent (agent) spoke by telephone to the auditor who conducted the audit of the licensee's 2009 financial statements. The auditor told the agent that the licensee's bank statements could not be reconciled and the expense account for food and beverage sales did not match the allowance account for food and beverage sales. The auditor could not reconcile the two accounts because the licensee did not have any documentation on the expense account or allowance account.

- 3) On July 15, 2010, an agent went to Skyway Park Bowl and spoke with Ray Benson, Comptroller for the licensee. Mr. Benson could not explain why the licensee's bank statements for 2009 could not be reconciled. He stated that former owner Dave Pardey had free reign of the licensee's bank accounts and did whatever he wanted with the licensee's money. As of May 1, 2010, Mr. Pardey was no longer involved with Skyway Park Bowl because he had filed for bankruptcy and the Bankruptcy Court appointed Max Cook as the Receiver.
- 4) Mr. Benson provided balanced bank account reconciliations for May and June 2010. However, the bank account reconciliations for January through April 2010 could not be balanced.
- 5) The licensee failed to keep legible, accurate, and complete records of all transactions relating to the revenues, costs, and expenses of the gambling operation. As a result, the licensee was not able to ensure consistency, comparability, and effective disclosure of financial information for 2009 in violation of WAC 230-15-730.
- 6) The licensee has the following administrative history:
 - a) In June 2009, administrative charges were issued against the licensee for failing to keep legible, accurate, and complete records of all transactions relating to the revenues, costs, and expenses of the gambling operation and failure to timely submit its financial statements for 2008. This was also a violation of a March 2009 Settlement Order. In November 2009, licensee agreed to a 15-day suspension, with 13 days deferred for one year and two days vacated by the payment of \$5,503. Additionally, the licensee vacated two days of a previously deferred suspension from the March 2009 Settlement Order by reimbursing the Commission for the costs of two follow-up inspections. (CR 2009-00995)
 - b) In October 2008, administrative charges were issued against the licensee because on eight separate occasions, the licensee failed to have sufficient cash in its cashier's cage before opening for business. Also, the licensee has failed to pay \$143,865.02 in gambling taxes owed to King County. In March of 2009, the licensee agreed to a twenty-day suspension, with eighteen days deferred, one day vacated by a fine of \$5,000, and one day vacated by the licensee's submission of verifiable and acceptable evidence of its compliance with the minimum cash on hand requirements. (CR 2008-01479)
 - c) In July 2007, a verbal warning was issued to the licensee for failing to ensure effective disclosure of financial information. (CR 2007-01389)
- 7) Grounds exist to suspend AAA Bowl Unlimited, Inc., d/b/a Skyway Park Bowl's licenses under RCW 9.46.075(1) and WAC 230-03-085(1).

RCW 9.46.075 Denying, suspending, or revoking an application, license

The Commission may deny an application, or suspend or revoke any license or permit issued by it, for any reason or reasons, it deems to be in the public interest. These reasons shall include, but not be limited to, cases wherein the applicant or licensee, or any person with any interest therein: (The following subsection applies.)

(1) Has violated, failed or refused to comply with the provisions, requirements, conditions, limitations or duties imposed by chapter 9.46 RCW and any amendments thereto, or any rules adopted by the Commission pursuant thereto, or when a violation of any provision of chapter 9.46 RCW, or any Commission rule, has occurred upon any premises occupied or operated by any such person or over which he or she has substantial control.

WAC 230-03-085 Denying, suspending, or revoking an application, license

We may deny, suspend, or revoke any application, license or permit, when the applicant, licensee, or anyone holding a substantial interest in the applicant's or licensee's business or organization:

(The following subsection applies)

(1) Commits any act that constitutes grounds for denying, suspending, or revoking licenses or permits under RCW 9.46.075.

WAC 230-15-730 Keeping an accounting system.

(The following subsections apply)

(1) House-banked card game licensees must keep and maintain a complete set of accounting records which we have approved before licensure. These records must include all receipts and disbursements of the licensee, including, at least, those related to gambling activities.

Revenue, costs, and expenses.

(2) Licensees must keep legible, accurate, and complete records of all transactions relating to the revenues, costs, and expenses of the gambling operation. Licensees must keep these records in a format that ensures consistency, comparability, and effective disclosure of financial information.

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Jurisdiction of this proceeding is based on 9.46 RCW, Gambling, chapter 34.05 RCW, the Administrative Procedure Act, and WAC Title 230.

In order to have a hearing or discuss settlement options, the enclosed request for hearing must be completed and returned to the Gambling Commission **within 23 days** from the date of the mailing of this notice.

STATE OF WASHINGTON)
) ss.
COUNTY OF THURSTON)



RICK DAY, DIRECTOR

My Commission expires on June 16, 2013

Member of the Communications and Legal Department
Washington State Gambling Commission

